Dear Members of the Senate Budget & Appropriations Committee:

RE: Please Support S-2476 (Singleton):
Provides a COLA in Workers Compensation to Dependents of Essential Workers that Died from COVID-19

The New Jersey State AFL-CIO supports this legislation and thanks Senator Singleton for his leadership on this issue. As the pandemic continues to impact our front line essential workers, glaring inadequacies in many of our social safety net programs have become more apparent. Whether it’s our earned sick leave program, unemployment insurance system, or in the case of this legislation, our workers compensation system, reform is desperately needed.

Currently, the death benefit to a dependent of a worker that dies due to a workplace injury is 70% of that workers weekly wage at the time of death. However, that amount is eroded by inflation annually and is never increased. Furthermore, the deceased worker’s beneficiary will never realize future increased earnings and will forever be stuck with a compensation amount that is obsolete in real dollars. This bill seeks to address this inadequacy.

The bill is similar to legislation (S-1967) signed into law last year by Governor Murphy. That law covered surviving dependents of any public safety worker who died from a workplace injury. The additional cost of that benefit is projected to be $1.1 million in workers’ compensation benefits in 2020, though that amount may be significantly less when considering adjustments for those who already receive Social Security benefits.

Finally, the number of dependents that will receive this COLA if this bill is signed into law is extremely small. Please consider the following numbers: As of June 9, 2020 there have been a total of 12,303 deaths in New Jersey from the virus. This law would only apply to the fatalities who contracted the virus at work and who are essential workers, as well as those that are not already covered by the 2019 law covering public safety workers. Only one fifth of New Jersey COVID fatalities are for people under 65 years old (working age). And of those, only 70% of them have jobs. So 12,303 deaths divided by 14% is 1,722, of which a minority are essential workers. Furthermore, many of them would have no dependents and even less contracted the virus on the job. We are looking at approximately 500 cases that would be covered to date under the bill. And these 500 cases are only getting a 0% - 2.5% annual increase depending on the SAWW. For the average workers’ beneficiary that meets this narrow definition, the cost increase amounts to a couple hundred dollars a year.

Thank you very much for considering our position on this legislation and we respectfully ask for your support.

Sincerely,

Charles Wowkanech
President

Laurel Brennan
Secretary-Treasurer

“The Voice for Working Families in New Jersey”